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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re: ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. 05-cv-01114 (JW) MDL No. 1665 **ROUND 3 DEFENDANTS' PROPOSAL REGARDING ORAL ARGUMENT ON ITS MOTIONS FOR SUMMARY JUDGMENT OF INVALIDITY UNDER 35 U.S.C. § 112 AND OPPOSITION TO ACACIA'S PROPOSAL**

Now that all of the Defendants' motions for summary judgment under 35 U.S.C. § 112 ¶¶1 or 2 have been fully briefed, the Round 3 Defendants respectfully request that the Court proceed with its plan to "set as many hearings as necessary to adjudicate Defendants' motions." (11/13/08 Order, D.I. 321.) Consistent with the Court's plan, each of these discrete motions, the bases for which are fully set forth in two omnibus briefs (D.I. 292 and 334)[1] and summarized in Appendix A hereto,[2] warrants its own individual consideration at oral argument. The Round 3 Defendants are available at the Court's convenience to address the order for hearing each of these discrete motions, and has no objection to their being considered in the order set forth in Appendix A.

Without first notifying or conferring with Defendants, Acacia filed its "Proposed Sequence of Issues To Address During Oral Argument Of Pending Summary Judgment Motions." (D.I. 342.) As the title of the document suggests, Acacia's proposal ignores the fact that these are *Defendants'* motions. This proposal, which includes Acacia's *fourth* request that the Court not consider the substance of Defendants' motions, should be rejected -- just as its previous similar requests have been rejected. Acacia should not be permitted to avoid substantive consideration of Defendants' motions based on its own misstatements of the issues presented by those motions and its self-serving, as well as inaccurate, suggestion that those issues will "largely be determinative of the pending motions."

The first supposedly "largely determinative" issue is whether the written description requirement can ever be satisfied when, based on the description of claimed components provided in the specification, "a person of ordinary skill in the art would be able to understand and implement the structure of those components via routine design choices." Deciding this issue would not resolve any of Defendants' motions because, as described separately by Defendants with respect to each one of its motions (D.I. 292 and 334), the Yurt specification is *not* sufficient to teach the structure of any of the claimed components Defendants allege are not adequately described. Even Acacia's own Opposition papers do not allege that the specification is sufficient to identify the structure of these claimed, purportedly novel components. (D.I. 323.)

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[1] The Satellite Defendants address some additional distinct grounds of invalidity in their motions directed to claims not asserted against the Round 3 Defendants. (D.I. 297.) Various Defendants, including the Satellite Defendants, also submitted supplemental briefing for one or more of the Round 3 Defendants' motions. (*See, e.g.*, D.I. 296 and 332.)

[2] The parties agree that all of the asserted claims are indefinite based on one or more of the Court's constructions of "transmission system," "identification encoder" and "sequence encoder" (*see, e.g.*, D.I. 342 at 3:4-11). Therefore, these indefiniteness motions are not included in Appendix A, as oral argument on these motions is not required.

Instead, as suggested by Acacia's second supposedly "largely determinative" issue, Acacia relied in its opposition papers solely on the unsupported and conclusory opinion of its expert that the inventors were "in possession" of each of these components. Tellingly, while Acacia denominates this issue as "largely determinative" of Defendants' motions, Acacia does not concede that if its "Issue 2" is decided against it, judgment against it on all of Defendants' motions should be entered. And for good reason. As explained in our Reply papers, "possession" is not the legal test for compliance with the written description requirement. Moreover, as explained in our Reply papers, even if "possession" was the test, Mr. Weiss' opinion would still have to be ignored because it is unsupported and conclusory. Thus, unless Acacia is willing to agree to entry of judgment against it on all of Defendants' pending motions if the Court determines that a non-moving party does not raise a material issue of fact by submitting an expert's unsupported and conclusory opinion that the claims satisfy a legally-incorrect test for written description, deciding Issue 2 in a separate hearing would be a waste of the Court's time.

Finally, Issue 3 is nothing more than a recasting of the same argument Acacia has repeatedly lost already – *i.e.*, the argument that the Court cannot decide Defendants' motions because all of the asserted claims have already been adjudged indefinite. (D.I. 120, 287, 307.) Again, Acacia does not concede that if it loses on its Issue 3, judgment should be entered against it on Defendants' motions. Acacia's argument is wrong,[3] the Court has already effectively rejected it, and to set a separate hearing to consider this argument again when Acacia does not admit that Defendants' motions should be granted if Defendants win on this issue would also be a colossal waste of judicial resources.[4]

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[3] *See Harrah's Entm't, Inc. v. Station Casinos, Inc.*, 321 F. Supp. 2d 1173, 1181 (D. Nev. 2004) ("[T]he court agrees that the term theoretical win profile is indefinite" and "[a]ccordingly, the written description is inadequate as a matter of law"); *see also Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1320, 1341-1342 (Fed. Cir. 2003) (finding invalidity for indefiniteness and lack of written description).

Acacia should not now be heard, for the fourth time, to attempt to convince the Court not to consider the merits of each of Defendants' motions. Defendants respectfully request that the Court adopt a schedule for oral argument that allows Defendants to separately address each of its discrete motions on its own merits. Acacia is free to present whatever arguments it has briefed in the course of those hearings.

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Respectfully submitted,

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[4] The remaining issues (4-8) identified by Acacia in its Statement (D.I. 342), are merely a subset of the motions identified by Round 3 Defendants and set forth in Appendix A.

APPENDIX A

Summary of Round 3 Defendants' Pending Summary Judgment Motions

1. The "transmission system" element of all the asserted claims lacks written description and is not enabled under 35 U.S.C. § 112 ¶1. While "transmission system" is not adequately described or enabled if the Court concludes that *even one* of its constituent components (depicted in figures 2a and 2b of the Yurt specification) is not adequately described or enabled, in fact, *none* of its constituent components are adequately described or enabled. The lack of written description / enablement of each separate constituent component represents its own sufficient basis for finding that all of the asserted claims are invalid. Defendants therefore request that they be permitted at oral argument to separately address invalidity based on the specification's failure to adequately describe or enable each of these constituent components.

2. The "reception system" (and synonymous terms) element of claims 1-42 of the '702 patent and 17-19 of the '863 patent lacks written description and is not enabled under 35 U.S.C. § 112 ¶1. Like "transmission system," "reception system" is not adequately described or enabled if the Court concludes that *even one* of its constituent components (depicted in figure 6 of the Yurt specification) is not adequately described or enabled. In fact, *none* of its constituent components are adequately described or enabled. The lack of written description/enablement of each separate constituent component represents its own sufficient basis for finding that asserted claims 1-42 of the '702 patent and 17-19 of the '863 patent are invalid. Defendants therefore request that they be permitted at oral argument to separately address invalidity based on the specification's failure to adequately describe or enable each of these constituent components.

3. The broad step of creating a "sequence of addressable data blocks" lacks written description and is not enabled under 35 U.S.C. § 112 ¶1 because the specification does not disclose the addressing of data blocks other than addressing based on time. Therefore, each asserted claim of the '992 and '863 patents is invalid for claiming more broadly than the specification discloses.

4. Claims 41 and 45 of the '992 patent and claims 17-19 of the '863 patent lack written description and are not enabled under 35 U.S.C. § 112 ¶1 because they do not require sending information from the transmission system only in response to a user request, nor do they require user requests at all. The specification only discloses sending information in response to a user request, and these claims are therefore invalid for claiming more broadly than the specification discloses.

5. Claims 41 and 45-46 of the '992 patent lack written description and are not enabled under 35 U.S.C. § 112 ¶1 because the specification does not disclose the method covered by these claims of transmitting information to a vacuous "remote location" that does not have a receiving system or any other type of receiving device.

6. Claims 17-19 of the '863 patent lack written description and are not enabled under 35 U.S.C. § 112 ¶1 because the specification does not disclose the distribution method covered by these claims whereby compressed data is not stored in the transmission system.

7. Claim 46 of the '992 patent lacks written description and is not enabled under 35 U.S.C. § 112 ¶1 because the specification does not disclose a user request for

information that does not include a user-inputted selection of the reception system to which the information is to be sent, as covered by this claim.

8. Claims 17-19 of the ‘863 patent are invalid under 35 U.S.C. § 112 ¶1 because the specification does not describe or enable the claimed step of “inputting an item having information into the transmission system.” The specification does not describe this step at all, much less as performed by a “transmission system” as required by the claims.

9. Claims 17-19 of the ‘863 patent are invalid under 35 U.S.C. § 112 ¶1 because the specification does not describe or enable the claimed step of “assigning a unique identification code to the item having information.” The specification says that identification codes are assigned to *information*, not to physical items containing information (*i.e.*, “items having information”).

10. Claims 17-19 of the ‘863 patent are invalid under 35 U.S.C. § 112 ¶1 because the specification does not describe or enable the claimed “local distribution system.” The concept of a reception system (which a “local distribution system” is) being “geographically close” (*i.e.*, “local”) to subscriber receiving stations is not in the specification at all.

11. Claims 41 and 45-46 of the ‘992 patent are invalid under 35 U.S.C. § 112 ¶1 because the specification does not describe or enable the claimed step of “storing items having information in a source material library.” The mere collection of physical objects which constitutes the source material library cannot perform any of the active “retaining” (*i.e.*, “storing”) functions.

12. Claims 41 and 45-46 of the ‘992 patent are invalid under 35 U.S.C. § 112 ¶1 because the specification does not describe or enable the claimed step of “retrieving the information in the items from the source material library.” Other than the statement that this step is performed by the inadequately-described and indefinite “identification encoder,” the specification provides no information about this step at all.

13. Claim 46 of the ‘992 patent is invalid under 35 U.S.C. § 112 ¶1 because the specification does not describe or enable the claimed step of a transmission system “generating a listing of available items.” The specification does not describe this step at all, much less as performed by a “transmission system.”

14. Claims 17-19 of the ‘863 patent are indefinite under 35 U.S.C. § 112 ¶2 because the step of transmitting “to at a plurality of receiving stations” is indefinite. There is no way to know whether this mistakenly-written step was intended to read “to at least one of a plurality. . .” (the way ‘863 claim 14 is written) or “to a plurality...”.

15. Claims 41 and 45-46 of the ‘992 patent are indefinite under 35 U.S.C. § 112 ¶2 because the claimed steps can never be completed.

16. Dependent claims 45-46 of the ‘992 patent are indefinite under 35 U.S.C. § 112 ¶2 because the claimed step of “separately storing a plurality of files” is inconsistent with the independent claim 41 requirement that the storing be in one single file.

17. Claim 46 of the ‘992 patent is indefinite under 35 U.S.C. § 112 ¶2 because there is no way to know which one file is sent by the transmission system in response to claim 46’s multiple user requests.